Meeting Notes – May 17, 2022

The LaFayette Rotary Club met on May 17. Fellow Rotarian, TR Clark, spoke to the group and gave an update on the timber markets. TR reported that COVID actually sparked an improvement in the timber markets. Late in 2020 and throughout 2021, the price of timber escalated. Prices are now back about to where they were pre-COVID. Prices historically dip mid-May-June. After the Fourth of July, suppliers start trying to increase their inventories and the price of lumber starts increasing.

Inflation and supply issues have affected the availability and prices of timber. Trucking issues were present before COVID. It was already hard to find drivers pre-COVID. The problem has only worsened since COVID. Parts shortages also play a role as does rising fuel costs. Off-road fuel is now running $5.00 a gallon.

It is expected that the housing market will sustain the timber market in the near future. We do import some Russian timber, as do other countries. The US market should be able to pick up any slack if that is cut off. We do export a lot of timber to China and if China rejects our timber, that could have an effect on our market. The cost of reforestation is expected to go up 30-40%, due primarily to the increased cost of one of the primary chemicals used.

TR also discussed carbon programs. These are programs with some sort of payout mechanism to influence when growers cut their timber. The goal is to keep the timber growing for as long as possible. Newer carbon programs can defer harvesting for as little as one year, rather than the usual 10-20 years, which is more appealing to the growers. Mature timber does not grow as fast as younger timber and does not sequester as much additional carbon. Young, vigorous loblolly stands will sequester more carbon. Most of the carbon remains trapped in the wood, even after the timber has been harvested and turned into other products. Only a small amount escapes. An acre of timber can capture 18 tons of carbon. It is more advantageous to reforest since the younger stands sequester more carbon.

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